

*Rep. Gutierrez Statement Opposing HAMP Repeal Bill*

March 29, 2011

Media Contact: Douglas Rivlin (202) 225-8203

FOR IMMEDIATE RELEASE

(Washington, DC) – *As the U.S. House of Representatives debated H.R. 839, a bill to eliminate the Home Affordable Modification Program (HAMP), Rep. Luis V. Gutierrez (D-IL), Ranking Democrat on the Insurance, Housing, and Community Opportunity Subcommittee, submitted the following statement for the record.*

I rise today in strong opposition to the HAMP Termination Act, or H.R. 839, a bill to eliminate the

Home Affordable Modification Program (HAMP). This is just another attempt by my Republican colleagues to do away with important and necessary programs that help our struggling families and communities cope with the devastation of the housing crisis. Our families are dealing with real emergencies and they want real solutions, yet the Republicans offer no meaningful replacement to help families during this housing and foreclosure epidemic.

The Home Affordable Modification Program was put in place by the Obama Administration to provide critical assistance to American homeowners who are working tirelessly to save their homes. While it wasn't meant to save every home on the brink of foreclosure, this program has helped over 600,000 homeowners since it was first launched. This means that because of HAMP, over 600,000 families were given an opportunity they otherwise wouldn't have had to save their home. Approximately 30,000 homeowners are assisted through HAMP each month. If we eliminate this program now, we would be doing a great disservice to these homeowners and to the recovery of our fragile housing market.

The ineptitude and noncompliance of banks and mortgage servicers have created a laundry list of mistakes and missteps in handling homeowner mortgages that led us into this devastating housing situation. HAMP has been criticized by all parties because it did not meet its initial projected goals. This is partly because HAMP sets strict requirements for homeowners to qualify for a modification to ensure that American taxpayer dollars are not wasted or misused. Modifications that continue to be made outside of HAMP are done by servicers who avoid meeting the strict requirements and rules under this program which are put in place to protect homeowners. We have a responsibility to our constituents and we can't simply leave the fate of homeowners and struggling families to the banks and mortgage servicers when their bad mortgage lending practices contributed to our nation's housing crisis in the first place.

HAMP is not perfect, but there is no question that HAMP has provided critical assistance to homeowners facing avoidable foreclosures. The HAMP program has set affordability standards and, more importantly, this program has created a framework for the private sector to provide assistance. The political theater put together by my Republican colleagues to eliminate HAMP and other valuable housing programs and replace them with nothing, doesn't do anything to alleviate the dire circumstances hundreds of thousands of American families are facing today.

Mr. Speaker, ending HAMP now would undoubtedly hamper our nation's economic recovery efforts. Many of my colleagues have mentioned throughout this debate something we all know to be true: not a single witness-- including the Government Accountability Office and the Special Inspector General for the Troubled Asset Relief Program -- who was invited by Republicans at the hearing we held earlier this month in the Housing Subcommittee, over which I serve as

Ranking Member, supported shutting down any of the housing programs Republicans propose to terminate, including HAMP.

Eliminating HAMP would leave American homeowners with fewer options for coping with the worst housing crisis of our generation and would leave our fragile housing market in worse condition than when we started. I urge my colleagues to support American homeowners and vote no on this bill.

# # #